Financial Transactions and Reports Analysis Centre of Canada

2014–15

Report on Plans and Priorities

The Honourable James M. Flaherty
Minister of Finance

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2014–15
ESTIMATES

PART III – Departmental Expenditure Plans: Reports on Plans and Priorities

Purpose

Reports on Plans and Priorities (RPP) are individual expenditure plans for each department and agency. These reports provide increased levels of detail over a three-year period on an organization's main priorities by strategic outcome, program and planned/expected results, including links to related resource requirements presented in the Main Estimates. In conjunction with the Main Estimates, Reports on Plans and Priorities serve to inform members of Parliament on planned expenditures of departments and agencies, and support Parliament's consideration of supply bills. The RPPs are typically tabled soon after the Main Estimates by the President of the Treasury Board.

Estimates Documents

The Estimates are comprised of three parts:

Part I – Government Expenditure Plan – provides an overview of the Government's requirements and changes in estimated expenditures from previous fiscal years.

Part II – Main Estimates – supports the appropriation acts with detailed information on the estimated spending and authorities being sought by each federal organization requesting appropriations.

In accordance with Standing Orders of the House of Commons, Parts I and II must be tabled on or before March 1.

Part III – Departmental Expenditure Plans – consists of two components:

- Report on Plans and Priorities (RPP)
- Departmental Performance Report (DPR)

DPRs are individual department and agency accounts of results achieved against planned performance expectations as set out in respective RPPs.

The DPRs for the most recently completed fiscal year are tabled in the fall by the President of the Treasury Board.

Supplementary Estimates support Appropriation Acts presented later in the fiscal year. Supplementary Estimates present information on spending requirements that were either not sufficiently developed in time for inclusion in the Main Estimates or have subsequently been refined to account for developments in particular programs and services. Supplementary Estimates also provide information on changes to expenditure forecasts of major statutory items as well as on such items as: transfers of funds between votes; debt deletion; loan guarantees; and new or increased grants.

For more information on the Estimates, please consult the Treasury Board Secretariat website.[i]

Links to the Estimates

As shown above, RPPs make up part of the Part III of the Estimates documents. Whereas Part II emphasizes the financial aspect of the Estimates, Part III focuses on financial and non-financial performance information, both from a planning and priorities standpoint (RPP), and an achievements and results perspective (DPR).

The Management Resources and Results Structure (MRRS) establishes a structure for display of financial information in the Estimates and reporting to Parliament via RPPs and DPRs. When displaying planned spending, RPPs rely on the Estimates as a basic source of financial information.

Main Estimates expenditure figures are based on the Annual Reference Level Update which is prepared in the fall. In comparison, planned spending found in RPPs includes the Estimates as well as any other amounts that have been approved through a Treasury Board submission up to February 1st (See Definitions section). This readjusting of the financial figures allows for a more up-to-date portrait of planned spending by program.

Changes to the presentation of the Report on Plans and Priorities

Several changes have been made to the presentation of the RPP partially to respond to a number of requests – from the House of Commons Standing Committees on Public Accounts (PAC – Report 15[ii]), in 2010; and on Government and Operations Estimates (OGGO – Report 7[iii]), in 2012 – to provide more detailed financial and non-financial performance information about

programs within RPPs and DPRs, thus improving the ease of their study to support appropriations approval.

- In Section II, financial, human resources and performance information is now presented at the Program and Sub-program levels for more granularity.
- The report's general format and terminology have been reviewed for clarity and consistency purposes.
- Other efforts aimed at making the report more intuitive and focused on Estimates information were made to strengthen alignment with the Main Estimates.

How to read this document
RPPs are divided into four sections:

Section I: Organizational Expenditure Overview

This Organizational Expenditure Overview allows the reader to get a general glance at the organization. It provides a description of the organization's purpose, as well as basic financial and human resources information. This section opens with the new Organizational Profile, which displays general information about the department, including the names of the minister and the deputy head, the ministerial portfolio, the year the department was established, and the main legislative authorities. This subsection is followed by a new subsection entitled Organizational Context, which includes the *Raison d'être*, the Responsibilities, the Strategic Outcomes and Program Alignment Architecture, the Organizational Priorities and the Risk Analysis. This section ends with the Planned Expenditures, the Alignment to Government of Canada Outcomes, the Estimates by Votes and the Contribution to the Federal Sustainable Development Strategy. It should be noted that this section does not display any non-financial performance information related to programs (please see Section II).

Section II: Analysis of Program(s) by Strategic Outcome(s)

This Section provides detailed financial and non-financial performance information for strategic outcomes, Programs and sub-programs. This section allows the reader to learn more about programs by reading their respective description and narrative entitled "Planning Highlights". This narrative speaks to key services or initiatives which support the plans and priorities presented in Section I; it also describes how performance information supports the department's strategic outcome or parent program.

Section III: Supplementary Information

This section provides supporting information related to departmental plans and priorities. In this section, the reader will find future-oriented statement of operations and a link to supplementary information tables regarding transfer payments, as well as information related to the greening government operations, internal audits and evaluations, horizontal initiatives, user fees, major crown and transformational projects, and up-front multi-year funding, where applicable to individual organizations. The reader will also find a link to the *Tax Expenditures and Evaluations Report*, produced annually by the Minister of Finance, which provides estimates and projections of the revenue impacts of federal tax measures designed to support the economic and social priorities of the Government of Canada.

Section IV: Organizational Contact Information

In this last section, the reader will have access to organizational contact information.

Definitions

Appropriation
Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

Budgetary Vs. Non-budgetary Expenditures

Budgetary expenditures – operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to crown corporations.
Non-budgetary expenditures – net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

Expected Result
An outcome that a program is designed to achieve.

Full-Time Equivalent (FTE)
A measure of the extent to which an employee represents a full person-year charge against a departmental budget. FTEs are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada Outcomes
A set of high-level objectives defined for the government as a whole.

Management Resources and Results Structure (MRRS)
A common approach and structure to the collection, management and reporting of financial and non-financial performance information.

An MRRS provides detailed information on all departmental programs (e.g.: program costs, program expected results and their associated targets, how they align to the government's priorities and intended outcomes, etc.) and establishes the same structure for both internal decision-making and external accountability.

Planned Spending
For the purpose of the RPP, planned spending refers to those amounts for which a Treasury Board (TB) submission approval has been received by no later than February 1, 2014. This cut-off date differs from the Main Estimates process. Therefore, planned spending may include amounts incremental to planned expenditure levels presented in the 2014–15 Main Estimates.

Program
A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results, and that are treated as a budgetary unit.

Program Alignment Architecture
A structured inventory of a department's programs, where programs are arranged in a hierarchical manner to depict the logical relationship between each program and the Strategic Outcome(s) to which they contribute.

Spending Areas
Government of Canada categories of expenditures. There are four spending areas[iv] (social affairs, economic affairs, international affairs and government affairs) each comprised of three to five Government of Canada outcomes.

Strategic Outcome
A long-term and enduring benefit to Canadians that is linked to the department's mandate, vision, and core functions.

Sunset Program
A time-limited program that does not have on-going funding or policy authority. When the program is set to expire, a decision must be made as to whether to continue the program. (In the case of a renewal, the decision specifies the scope, funding level and duration).

Whole-of-Government Framework
A map of the financial and non-financial contributions of federal organizations receiving appropriations that aligns their programs to a set of high level outcome areas defined for the government as a whole.

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Director's Message

I am pleased to present the 2014–15 Report on Plans and Priorities for the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), an outline of the Centre's corporate direction for the coming year.

FINTRAC is a partner in Canada's anti-money laundering and anti-terrorist financing (AML/ATF) regime and plays a critical role in protecting the safety and security of Canadians.

We know that we are making a difference. By working together with our regime partners in government, law enforcement, intelligence and national security agencies, prosecutors and thousands of businesses across the country, we are creating an environment that is increasingly hostile to those who seek to abuse our financial system or who threaten the safety of Canadians.

As we look to the year ahead, FINTRAC will continue to focus its efforts on the delivery of timely, relevant and actionable financial intelligence. Our Compliance Program will continue to ensure the quality, quantity and timeliness of the reporting we receive and ensure that reporting entities have the tools and the guidance they need to comply with their AML/ATF legislative obligations.

Our first priority in relation to the reports we receive from Canada's business sectors is the protection of Canadians' personal information. The protection of privacy is a key element of FINTRAC's mandate and is embedded in the way we carry out our work, the way we handle information, and the way it is analyzed and disclosed. In 2013, we welcomed the Privacy Commissioner's audit of our operations, which recognized that FINTRAC has in place a comprehensive approach to security, including controls to safeguard personal information. We were also pleased the Privacy Commissioner found no indication that personal information had been used for any purpose other than that for which it was obtained, and that our disclosures were tightly controlled and made in accordance with our legislation.

As we move forward in 2014–15, a significant priority for the Centre will be the renewal of our information technology systems and applications to strengthen the protection of the personal information under our control and to enhance our analytical work. The sheer volume of data in FINTRAC's holdings, coupled with the everyday influx of new information and the knowledge that we are constantly developing through our intelligence work, presents an enormous challenge for FINTRAC from an analysis perspective.

As well, during the 2014–15 fiscal year, FINTRAC will also work closely with the Department of Finance Canada and other key partners, sharing our expertise and insight on money laundering and terrorist activity financing with a view to strengthening Canada's anti-money laundering and anti-terrorist financing regime.

Canada's AML/ATF regime is producing real and significant results for Canadians. I invite you to read this report and explore FINTRAC's website to learn more about how our programs are making a difference for all Canadians.

Gérald Cossette
Director

Section I: Organizational Expenditure Overview

Organizational Profile

Minister: The Honourable James M. Flaherty, Minister of Finance

Deputy Head: Gérald Cossette, Director

Ministerial portfolio: Finance

Year established: 2000

Main legislative authorities: *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, S.C. 2000, c. 17.

Organizational Context

Raison d'être

The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) is Canada's financial intelligence unit (FIU). The Centre exists to assist in the detection, prevention and deterrence of money laundering and the financing of terrorist activities. FINTRAC's 'value-added' financial intelligence products and compliance functions are a unique contribution to the public safety of Canadians and to the protection of the integrity of Canada's financial system.

FINTRAC is an independent agency that operates at arm's length from the law enforcement agencies and other entities to which it is authorized to disclose financial intelligence. It reports to the Minister of Finance, who is in turn accountable to Parliament for the activities of the Centre. FINTRAC was established by, and operates within, the ambit of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA) and its Regulations.

Responsibilities

FINTRAC is one of several domestic partners in Canada's anti-money laundering and anti-terrorist financing (AML/ATF) regime, which also includes the Department of Finance as the policy lead, the Royal Canadian Mounted Police (RCMP), the Canadian Security Intelligence Service (CSIS), the Canada Revenue Agency (CRA), the Canada Border Services Agency (CBSA), the Office of the Superintendent of Financial Institutions (OSFI), the Public Prosecution Service of Canada, the Department of Justice, and Public Safety Canada. FINTRAC is also part of the Egmont Group, an international network of financial intelligence units that collaborate and exchange information to combat money laundering and terrorist activity financing.

FINTRAC's role is to facilitate the detection, prevention and deterrence of money laundering, and terrorist activity financing by engaging in the following activities:

- Receiving financial transaction reports and voluntary information on money laundering and terrorist activity financing in accordance with the legislation and regulations;
- Safeguarding personal information under its control;
- Ensuring compliance of reporting entities with the legislation and regulations;
- Maintaining a registry of money services businesses in Canada;
- Producing financial intelligence relevant to investigations of money laundering, terrorist activity financing and threats to the security of Canada;
- Researching and analyzing data from a variety of information sources that shed light on trends and patterns in money laundering and terrorist activity financing; and
- Enhancing public awareness and understanding of money laundering and terrorist activity financing.

FINTRAC's headquarters are located in Ottawa, with three regional offices in Montréal, Toronto and Vancouver having specific mandates related to compliance with the PCMLTFA.

Protecting the Privacy of Canadians

The protection of the personal information that FINTRAC receives is an integral part of the Centre's mandate. The PCMLTFA establishes stringent rules that govern both the management and disclosure of all information contained in the Centre's transaction reports and other records. All facets of FINTRAC's operations are subject to rigorous security measures that ensure the safeguarding of the Centre's physical premises and IT systems, and include the handling, storage and retention of all personal and other sensitive information under its control.

FINTRAC's premises and information systems in Ottawa, Montréal, Toronto and Vancouver are protected by multi-layered and integrated security systems. Employees must obtain and maintain security clearance at the highest level as a condition of employment. They are also trained in their responsibilities involving the protection of personal information and only access sensitive information on a need-to-know basis.

As required pursuant to the PCMLTFA, the Office of the Privacy Commissioner reviews FINTRAC's information protection measures every two years. The second review was completed in 2013 and recognized that FINTRAC's approach to security, including controls to safeguard personal information was comprehensive. FINTRAC has accepted all of the Privacy Commissioner's recommendations for improvement and the Centre is implementing changes to its systems and processes to address the outstanding issues identified.

Strategic Outcome and Program Alignment Architecture (PAA)

To effectively pursue its mandate, FINTRAC aims to achieve a single Strategic Outcome supported by the Program Activity Architecture (PAA) summarized below.

1 **Strategic Outcome :** *A Canadian financial system resistant to money laundering and terrorist financing*

1.1 Program: *Financial Intelligence Program*

1.2 Program: *Compliance Program*

Internal Services

Organizational Priorities

Priority	Type	Program
Provide valued financial intelligence to our law enforcement and national security partners.	Previously committed to	Financial Intelligence Program

Description

Why is this a priority?

- FINTRAC delivers financial intelligence to facilitate the detection, prevention and deterrence of money laundering, terrorist activity financing and threats to the security of Canada.
- The value of FINTRAC's financial intelligence rests in its ability to enhance knowledge and support decision-making and action by recipients. This means that the Centre's analytical work must be closely aligned with our partners' needs and priorities.

Plans for meeting the priority

- Deepen and strengthen relationships with key partners to ensure that FINTRAC delivers financial intelligence that align with their investigative and intelligence priorities.
- Promote the use of FINTRAC's new feedback mechanisms by financial intelligence recipients to capture how intelligence is used and link performance to effectiveness. FINTRAC will also continue to enhance its Centre-wide performance measurement strategy.

Priority	Type	Program
Deliver an effective national risk-based compliance program.	Previously committed to	Compliance Program

Description

Why is this a priority?

- FINTRAC's Compliance Program ensures that the Centre receives the quality and quantity of financial information it needs to analyze and produce financial intelligence on suspected money laundering and terrorist financing.
- The Compliance Program works with reporting entities and other key stakeholders to ensure compliance with the PCMLTFA thereby making Canada's financial system stronger and more resistant to those who would abuse it to launder money or carry out terrorist activity financing.

Plans for meeting the priority

- Provide clear and consistent guidance and feedback to reporting entities to facilitate reporting.
- Strengthen systems and business processes designed to ensure high quality reporting data that supports the development of financial intelligence for law enforcement and intelligence agencies.
- Establish a well-managed relationship with the largest reporters to ensure a high level of compliance and reporting quality amongst this significant group of reporting entities.
- Ensure responsible and timely compliance and enforcement actions are taken in response to the detection of non-compliance.

Priority	Type	Programs
Pursue policy and legislative opportunities to strengthen the anti-money laundering and anti-terrorist financing (AML/ATF) regime.	Ongoing	Financial Intelligence Program Compliance Program Internal Services

Description

Why is this a priority?

- Canada's AML/ATF legislative and policy frameworks are important tools in the fight against money laundering and terrorist financing.
- Policy and legislative amendments could strengthen these tools both in Canada and internationally.

Plans for meeting the priority

- Implement any changes to the legislative and regulatory framework that may follow from the Parliamentary Review of the PCMLTFA.
- Position FINTRAC within the AML/ATF regime to increase its influence in the Government's national security and intelligence policy agenda and direction.
- Identify emerging trends, through research and environmental scans, to support policy and legislative directions.
- Actively participate and seek to influence policy directions at the domestic and international level.

Priority	Type	Programs
Leverage advancements in information technology as FINTRAC seeks to transform its business processes.	Previously committed to	Financial Intelligence Program Compliance Program Internal Services

Description

Why is this a priority?

- On a continuing basis, those who would launder money or finance terrorism are developing new methods and finding new venues for their activities. FINTRAC's systems need to be kept current to ensure that the Centre does not fall behind sophisticated criminals and terrorists.
- Improving key business processes and technology through innovation and improved sustainability will allow FINTRAC to make the best use of its resources and maximize its impact as part of Canada's AML/ATF regime.

Plans for meeting the priority

- Enhance key operational systems in order to pursue the Centre's business objectives more effectively.
- Examine internal systems and processes for opportunities to adapt to new technologies, practices and methods that will create stronger linkages between FINTRAC and its partners.
- Work with our partners, clients and stakeholders to identify and prioritize opportunities for technological improvements.
- Work with Shared Services Canada (SSC) to modernize FINTRAC application and database servers while transitioning to the SSC consolidated data centres.

Priority	Type	Programs
Strengthen the leadership capacity throughout the Centre by enhancing our ability to recruit, develop and retain talent that aligns with our objectives and deepens our expertise.	New	Financial Intelligence Program Compliance Program Internal Services

Description

Why is this a priority?

- FINTRAC strives to have an engaged workforce with the leadership strengths, expertise and skills to deliver on the Centre's mandate.

Plans for meeting the priority

- Implement various initiatives to optimize employee recruitment, engagement and performance, based on leadership competencies that help strengthen the Centre's capacity for business performance.
- Enhance corporate policies, practices and messages to ensure alignment with business priorities and understanding across the Centre.

Priority	Type	Programs
Strengthen the Centre's approach to its security posture to ensure a high level of assurance that information, assets, and services are protected against compromise.	New	Financial Intelligence Program Compliance Program Internal Services

Description

Why is this a priority?

- In accordance with the objects of the PCMLTFA, the safeguarding of the information entrusted to FINTRAC is an overarching and fundamental consideration in all aspects of the Centre's operations. The protection of information, assets and services against compromise is critical to maintaining Canadians' confidence in FINTRAC and the broader AML/ATF regime.

Plans for meeting the priority

- Continue to implement measures to strengthen personnel, physical, and information security programs that support the objective of establishing a high level of assurance that information, assets, and services are effectively protected against compromise.
- Collaborate with Shared Services Canada and continue to evaluate and implement targeted IT Security enhancements to further strengthen FINTRAC's IT Security posture.

Risk Analysis

FINTRAC is committed to identifying and managing the risks inherent in the delivery of its programs and the achievement of its strategic outcome. As part of its risk management approach, the Centre integrates risk information into its key decision-making and planning activities by utilizing a Corporate Risk Profile. The Corporate Risk Profile helps FINTRAC to identify both the internal and external risks and opportunities inherent to its operating environment.

Through an annual review of the Corporate Risk Profile and various other management practices, tools, and guides, FINTRAC is developing a responsible, risk-smart and opportunity-driven culture that focuses on informed decision-making, integrated business planning, and strategic resource allocation.

FINTRAC recognizes that continuous improvement and maturity of practices are required so that its risk management approach remains effective and relevant. Thus, FINTRAC continues to renew its integrated risk and opportunity management processes and tools to reflect leading best practices including its Corporate Risk Profile. By adopting a more robust and sustainable approach to identifying and assessing corporate risks the Centre expects to have a more comprehensive picture of the risk factors that exist in the Centre's operating environment.

Key Risk	Risk Summary and Mitigation Measures	Link to Program Alignment Architecture
Information Tools and Systems There is a risk that FINTRAC's existing business systems that support the production of financial intelligence may not be sufficient to meet present and near-term future requirements.	FINTRAC's information technology infrastructure and analytic systems are increasingly unable to keep up with the volumes of data the Centre receives. To address the risk of system degradation that would impact the integrity of the Financial Intelligence Program, FINTRAC has identified the need to prepare and implement a multi-year strategy to modernize its analysis function and establish new agile business processes and tools. The Centre has also embarked, in collaboration with Shared Services Canada (SSC) on a multiyear renewal of the	Financial Intelligence Program Internal Services

	underlying hardware platform on which FINTRAC's analytic systems reside. This renewal is being conducted in a manner that will support the objectives of FINTRAC's analytics modernization approach.	
Protection of Information There is a risk that information entrusted to FINTRAC may be improperly accessed, used, obtained and/or compromised.	FINTRAC receives sensitive financial information and is responsible for protecting its confidentiality. To ensure the continued protection of personal and other sensitive information, FINTRAC employs a number of safeguards including: incident monitoring; access controls through information management/information technology (IM/IT) protocols; and a strong information management program. Employees have access to personal information only on a need-to-know basis. They all have a high security clearance, and are trained in their responsibilities involving the protection of personal and other sensitive information. Should a staff member deliberately bypass the legal requirements set out in the PCMLTFA and other legislation, the penalties could be as much as a fine of $500,000 and/or five years' imprisonment. FINTRAC's Code of Conduct, Values and Ethics serves to reinforce the legal obligations of employees to protect information under the PCMLTFA. Adherence to this code is a condition of employment for every FINTRAC employee.	Compliance Program Financial Intelligence Program Internal Services

	In addition, FINTRAC maintains a formalized privacy management framework that outlines how FINTRAC organizes, through governance and accountability, the delegation of privacy responsibilities, the coordination of privacy work, the management of privacy risks and compliance with privacy legislation. This comprehensive framework, which is overseen by a Chief Privacy Officer, helps to ensure a holistic approach to the Centre's management of personal information.	
Compliance Program There is a risk that FINTRAC's Compliance Program may not have sufficient capacity to detect and/or enforce the desired level of compliance behaviours across key reporting entity sectors.	The quality of FINTRAC's financial intelligence stems directly from the quality, quantity, and timeliness of the financial information received by the Centre from individuals and entities with obligations under the PCMLTFA. To address the risk that the Compliance Program may not have sufficient capacity to enforce the desired level of compliance behavior among reporting entities, the Centre uses a risk-based approach. This risk-based approach involves a series of steps to identify and assess non-compliance risks. It begins with an understanding of the core characteristics of reporting entity sectors and then considers the likelihood of non-compliance as well as the impact of potential non-compliance at both the sector and reporting entity levels. With this knowledge, the Compliance Program can identify areas where resources are most needed and will prove	Compliance Program

	most effective. It then applies appropriate sub-strategies to address the risk of non-compliance which drives its compliance activities.	
Emergency Planning and Business Continuity Plans There is a risk that FINTRAC's Business Continuity Program may not be robust enough to ensure continuous operation of core critical functions in the event of a serious incident.	Canada is not immune to terrorist events or to natural disasters such as fire, flooding or earthquakes. In the event that an incident does occur that impacts its normal operations, FINTRAC must be prepared to respond quickly and effectively to restore its core critical functions. In the broader context of Shared Services Canada's (SSC) data centre consolidation initiative, FINTRAC is partnering with SSC to enhance its strategies and action plans to mitigate the impact of an incident and ensure that FINTRAC will be in a position to resume its critical systems and functions in a reasonable amount of time.	Compliance Program Financial Intelligence Program Internal Services

Planned Expenditures

Budgetary Financial Resources (Planned Spending—dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
49,482,207	52,018,207	50,518,207	50,518,207

Human Resources (Full-Time Equivalents—FTEs)

2014–15	2015–16	2016–17
359	359	359

Budgetary Planning Summary by Strategic Outcome and Programs (dollars)

Strategic Outcome, Programs and Internal Services	2011–12 Expenditures	2012–13 Expenditures	2013–14 Forecast Spending	2014–15 Main Estimates	2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
Strategic Outcome 1: A Canadian financial system resistant to money laundering and terrorist financing							
Financial Intelligence Program	N/A[1]	22,673,503	22,469,860	21,029,938	22,107,738	21,470,238	21,470,238
Compliance Program	N/A[1]	23,068,382	22,469,860	21,029,938	22,107,738	21,470,238	21,470,238
Detection and deterrence of money laundering and terrorist financing[2]	50,638,455	N/A[2]	N/A[2]	N/A[2]	N/A[2]	N/A[2]	N/A[2]
Strategic Outcome 1 Subtotal	50,638,455	45,741,885	44,939,720	42,059,876	44,215,476	42,940,476	42,940,476
Internal Services Subtotal	8,589,625	8,251,686	7,930,539	7,422,331	7,802,731	7,577,731	7,577,731
Total	59,228,080	53,993,571	52,870,259	49,482,207	52,018,207	50,518,207	50,518,207

In order to enhance FINTRAC's ability to ensure compliance with PCMLTFA and to meet its responsibilities related to tax evasion becoming a predicate offence to money laundering, the Centre received funding via Budget 2010. In 2012–13, this funding was $10,500,000. In 2013–14, funding decreased to $10,000,000, and will stabilize at $8,000,000 in 2014–15 and ongoing. In fiscal year 2013–14 and ongoing, FINTRAC's financial resources fully reflect the saving measures announced in Budget 2012. Planned spending for all three years includes an estimate for the Reimbursement of Eligible Paylist Expenditures. Planned spending for fiscal year 2014–15 also includes an estimate of $1,500,000 for the Operating Budget Carry-Forward.

[1] FINTRAC's Strategic Outcome and Program Activity Architecture elements were amended for display in the 2012–13 and future year Estimates and Public Accounts.

[2] This 2011–12 Program Activity element has been removed from display in the 2012–13 and future year Estimates and Public Accounts.

Alignment to Government of Canada Outcomes

2014–15 Planned Spending by Whole-of-Government-Framework Spending Area (dollars)

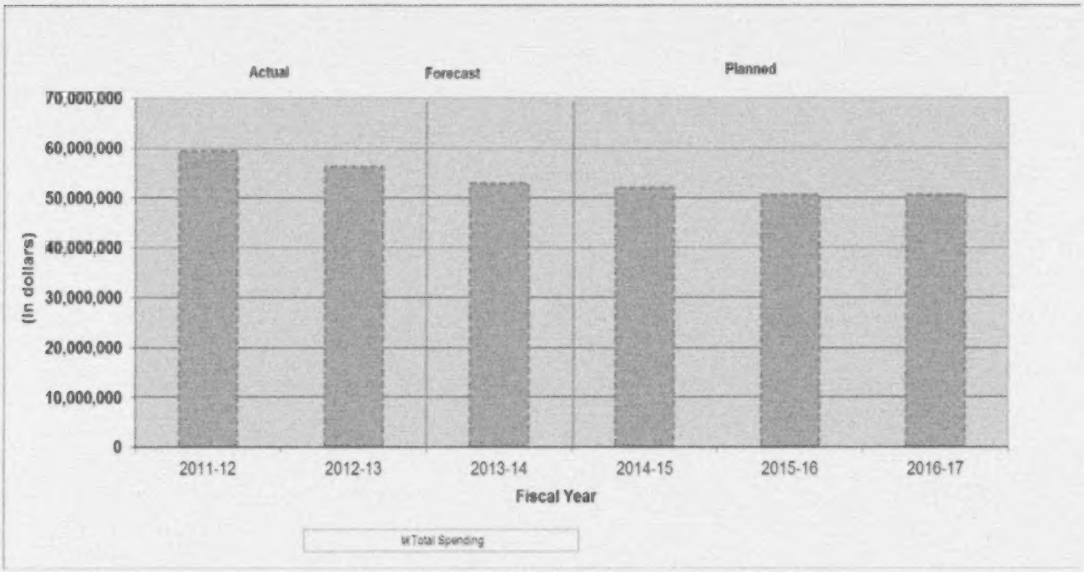
Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2014–15 Planned Spending
1 A Canadian financial system resistant to money laundering and terrorist financing	1.1 Financial Intelligence Program	Social Affairs	A Safe and Secure Canada	22,107,738
	1.2 Compliance Program	Social Affairs	A Safe and Secure Canada	22,107,738

Total Planned Spending by Spending Area (dollars)

Spending Area	Total Planned Spending
Economic Affairs	
Social Affairs	44,215,476
International Affairs	
Government Affairs	

Departmental Spending Trend

Departmental Spending Trend Graph



Actual Spending (2011–12 and 2012–13)

The resources available for spending in 2011–12 and 2012–13 were $61,944,251 and $56,186,555, respectively. Actual spending for 2011–12 was $59,228,080 and 2012–13 was $53,993,571. The primary reasons for these decreases were:

- Transfer of authorities related to functions adopted by Shared Services Canada (SSC);
- The sunsetting of funding for FINTRAC for the National Anti-Drug Strategy (NADS) and other operating efficiencies announced in Budget 2012; and
- Lower expenditures related to severance pay and termination benefits which have ceased to accumulate.

Forecast Spending (2013–14)

Forecasted spending for 2013–14 is $52,870,259. FINTRAC's overall spending is expected to decrease compared to 2012–13 commensurate with the organization's decrease in authorities, including the impact of the implementation of the Budget 2012 and Budget 2013 savings measures.

FINTRAC's contribution to employee benefit plans (EBP) has remained stable in 2013–14 when compared to 2012–13.

Planned Spending (2014–15 to 2017–18)

Planned spending is expected to be $52,018,207 in 2014–15, $50,518,207M in 2015–16, and for the following two fiscal years.

Estimates by Vote

For information on FINTRAC's organizational appropriations, please see the 2014–15 Main Estimates publication.[v]

Contribution to the Federal Sustainable Development Strategy (FSDS)

FINTRAC also ensures that its decision-making process includes a consideration of the FSDS goals and targets through the strategic environmental assessment (SEA). An SEA for policy, plan or program proposals includes an analysis of the impacts of the proposal on the environment, including on the FSDS goals and targets. The results of SEAs are made public when an initiative is announced or approved, demonstrating that environmental factors were integrated into the decision-making process.

Section II: Analysis of Programs by Strategic Outcome

Strategic Outcome: A Canadian financial system resistant to money laundering and terrorist financing

FINTRAC's role of assisting in the detection, prevention and deterrence of the laundering of criminal proceeds and the financing of terrorist activities is a vital component of Canada's anti-money laundering and anti-terrorist financing (AML/ATF) regime and supports the achievement of the Centre's strategic outcome of "A Canadian financial system resistant to money laundering and terrorist financing."

FINTRAC's strategic outcome is advanced through the following programs:

- **Financial Intelligence Program**: Financial Intelligence that is relevant to the investigation, prosecution or understanding of money laundering and terrorist financing activities;
- **Compliance Program**: A national risk-based compliance program that assesses and enforces compliance with the reporting, record keeping and other obligations by those reporting entities subject to the PCMLTFA; and
- **Internal Services**: Effective and efficient support for advancing FINTRAC's strategic outcome.

Program 1.1: Financial Intelligence Program

Program Description

FINTRAC's Financial Intelligence Program, mandated by the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA), is a component of the broader national security and anti-crime agenda. The program strives to disrupt the ability of criminals and terrorist groups that seek to abuse Canada's financial system and to reduce the profit incentive of crime. The main method of intervention used by the program is to analyze reported financial transactions and other information the Centre is authorized to receive and collect under the PCMLTFA to produce financial intelligence products including tactical case disclosures and strategic intelligence products that are relevant to the investigation, prosecution or understanding of money laundering and terrorist financing activities.

Budgetary Financial Resources (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
21,029,938	22,107,738	21,470,238	21,470,238

Human Resources (FTEs)

2014–15	2015–16	2016–17
148	148	148

Performance Measurement

Program Expected Results	Performance Indicators	Targets	Fiscal Year Achieved
Disclosures of Financial intelligence make an important contribution to investigations of money laundering and terrorist financing.	Percentage of disclosure recipients indicating disclosure provided information that was helpful to the investigation.	70%	2014–15
	Percentage of disclosure recipients indicating that information provided was actionable.	50%	2014–15
Strategic financial intelligence products align with the priorities of investigators, intelligence analysts, policy and decision-makers.	Percentage of primary recipients indicating increased awareness and understanding of ML/TF subject matter as a result of FINTRAC's strategic financial intelligence products.	75%	2014–15
Efficiency Indicator	Number of financial intelligence disclosures produced per analyst	15	2014–15

Planning Highlights

FINTRAC delivers case disclosures and other financial intelligence that assists in investigations of suspected money laundering and terrorist financing, as well as supporting the priorities of the AML/ATF and national security policy-making communities, domestic regime partners, and the broader security and intelligence community.

This program encompasses all of FINTRAC's financial intelligence activities. These activities are complemented by research, partnership and government relationship activities, both domestically and internationally. In order to achieve the expected results, FINTRAC plans to undertake the following activities during the 2014–15 fiscal year:

- Continue to produce quality financial intelligence products that address the needs and priorities of investigative and intelligence partners.
- Identify and communicate money laundering and terrorist financing trends, methods, and issues.
- Seek opportunities to modernize technological infrastructure and adopt new practices and methods that support FINTRAC's ability to produce high quality financial intelligence.
- Enhance relationships, both domestically and internationally, that strengthen FINTRAC's role in combating money laundering and terrorist financing.

Program 1.2: Compliance Program

Program Description

FINTRAC's Compliance Program is responsible for ensuring compliance with Part 1 of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA) and associated Regulations. The Compliance Program utilizes a risk based approach to deliver enforcement, relations and support activities that help ensure compliance with legislative and regulatory obligations that apply to individuals and entities operating in Canada's financial system.

Budgetary Financial Resources (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
21,029,938	22,107,738	21,470,238	21,470,238

Human Resources (FTEs)

2014–15	2015–16	2016–17
158	158	158

Performance Measurement

Program Expected Results	Performance Indicators	Targets	Fiscal Year Achieved
Non-compliance among reporting entities is detected and addressed.	Percentage of cases where corrective actions taken are commensurate with the level of non-compliance detected.	100%	2014–15
Entities have access to timely and accurate information.	Percentage of general inquiries answered within established timeframes.	90%	2014–15
Efficiency Indicator	Percentage of resources dedicated to direct delivery of the Compliance Program.	75%	2014–15

Planning Highlights

The ability to produce the financial intelligence required to assist our regime partners in protecting the Canadian financial system is closely linked to the quality, quantity and timeliness of information received from Canadian business sectors on the front lines. Through the delivery of an effective national risk-based compliance program, FINTRAC ensures that reporting entities comply with their legal obligations set out in the PCMLTFA and its associated Regulations creating a deterrent effect against those who wish to launder money or finance terrorist activities.

As part of FINTRAC's strategy, the Centre conducts risk assessments to identify and assess non-compliance risks. It begins with an understanding of the core characteristics of reporting entity sectors and then considers the likelihood of non-compliance, as well as the impact of potential non-compliance at both the sector and reporting entity levels.

With this knowledge, the Compliance Program then develops appropriate sub-strategies to address the risk of non-compliance, maximize sector coverage and make the best use of available resources.

While the Centre uses a suite of awareness, assistance, and assessment activities, an examination remains the primary instrument to assess whether reporting entities are complying with their legal obligations.

During the planning period, FINTRAC will undertake the following activities to support the Centre's compliance priorities:

- Direct compliance and enforcement activities based on risk, and demand rapid and concentrated remedial action by reporting entities when non-compliance is detected, including measured use of administrative monetary penalties or non-compliance disclosures.
- Provide clear and consistent technical support and guidance to reporting entities to facilitate reporting.
- Pursue opportunities to enhance the quality of report data and seek opportunities to modernize technological infrastructure that will enhance data integrity and ensure that report data is ready for analysis.
- Leverage technology to provide enhanced self-service tools and content to raise awareness and support compliance among reporting entities with their legislative obligations under the PCMLTFA.
- Develop sector risk profiles as part of an enhanced feedback strategy to raise awareness of sector vulnerabilities to money laundering and terrorist financing activities.

Program: Internal Services

Program Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

Budgetary Financial Resources (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
7,422,331	7,802,731	7,577,731	7,577,731

Human Resources (FTEs)

2014–15	2015–16	2016–17
53	53	53

Planning Highlights

The priority for Internal Services over the planning period will be to focus on activities that leverage advancements in information technology, enhance the leadership capacity of FINTRAC's workforce, and strengthen the Centre's security posture to ensure that its information, assets and services are protected against compromise. To realize these objectives, FINTRAC will undertake the following activities:

- Examine opportunities to enhance key technological infrastructure in order to pursue the Centre's business objectives more effectively and create capacity to respond to future challenges.
- Implement various initiatives to optimize employee recruitment, engagement and performance, based on leadership competencies that help strengthen the Centre's capacity for business performance.

- Continue to develop initiatives that foster a values-based culture, including evaluation of the FINTRAC Code of Conduct, Values and Ethics and its adjunct policies, guidelines, and awareness strategies.
- Collaborate with Shared Services Canada and continue to evaluate and implement targeted IT Security enhancements to further strengthen FINTRAC's IT Security posture.
- Continue work on the implementation of the *Treasury Board Record Keeping Directive* by reviewing and completing retention and disposition schedules and processes for information resources of business and enduring value.
- Continue to enhance personnel, physical, and information security programs in order to protect information, assets, and services against compromise.
- Review and update corporate policies and practices in support of FINTRAC business priorities and Government of Canada policies and legislation.

Section III: Supplementary Information

Future-Oriented Statement of Operations

The future-oriented condensed statement of operations presented in this section is intended to serve as a general overview of FINTRAC's operations. The forecasted financial information on expenses and revenues are prepared on an accrual accounting basis to strengthen accountability and to improve transparency and financial management.

Since the future-oriented statement of operations is prepared on an accrual accounting basis and the forecast and planned spending amounts presented in other sections of this report are prepared on an expenditure basis, amounts will differ.

A more detailed FINTRAC's future oriented statement of operations and associated notes, including a reconciliation of the net costs of operations to the requested authorities, can be found in the publications section of FINTRAC's website.[vi]

Future-Oriented Condensed Statement of Operations
For the Year Ended March 31 ($ dollars)

Financial Information	Estimated Results 2013–14	Planned Results 2014–15	Change
Total expenses	61,438,714	60,792,395	-646,319
Total revenues	-	-	-
Net cost of operations	61,438,714	60,792,395	-646,319

FINTRAC is projecting $60,792,395 in expenses based on 2014–15 Main Estimates, estimated allocations from Treasury Board central votes, and accrued information. Amounts for 2014–15 do not include Supplementary Estimates and represent a modest $646,319 decrease from 2013–14 results. As FINTRAC's revenues consist of only non-respendable amounts for Administrative Monetary Penalties, total revenues are presented as nil.

List of Supplementary Information Tables

The supplementary information tables listed in the *2014–15 Report on Plans and Priorities* can be found on FINTRAC's website.

- Greening Government Operations;[vii]
- Upcoming Internal Audits and Evaluations over the next three fiscal years.[viii]

Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance publishes cost estimates and projections for these measures annually in the *Tax Expenditures and Evaluations*[ix] publication. The tax measures presented in the Tax Expenditures and Evaluations publication are the sole responsibility of the Minister of Finance.

Section IV: Organizational Contact Information

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Endnotes

i. Treasury Board Secretariat Estimates Publications and Appropriation Acts, http://www.tbs-sct.gc.ca/ems-sgd/esp-pbc/esp-pbc-eng.asp.

ii. Selected Departmental Performance Reports for 2008–09 – Department of Industry, Department of Transport. Report of the Standing Committee on Public Accounts, September 2010, http://www.parl.gc.ca/HousePublications/Publication.aspx?Mode=1&Parl=40&Ses=3&Language=E&DocId=4653561&File=0.

iii. Strengthening Parliamentary Scrutiny of Estimates and Supply. Report of the Standing Committee on Government and Operations Estimates, June 2012, http://www.parl.gc.ca/HousePublications/Publication.aspx?DocId=5690996&Language=E&Mode=1&Parl=41&Ses=1.

iv. Whole-of-government framework, http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx.

v. 2014–15 Main Estimates, http://www.tbs-sct.gc.ca/ems-sgd/esp-pbc/esp-pbc-eng.asp.

vi. FINTRAC's Corporate Publications, http://www.fintrac-canafe.gc.ca/publications/reports-rapports-eng.asp.

vii. Greening Government Operations, Supplementary Information Table, http://www.fintrac-canafe.gc.ca/publications/rpp/2014-2015/ggo-eog-eng.asp

viii. Upcoming Internal Audits and Evaluations over the next three fiscal years, Supplementary Information Table, http://www.fintrac-canafe.gc.ca/publications/rpp/2014-2015/ia-vi-eng.asp

ix. Government of Canada Tax Expenditures, http://www.fin.gc.ca/purl/taxexp-eng.asp